Income Tax refunds

735. DR. NARAYAN SINGH MANAKLAO: Will the Minister of FINANCE be pleased to state:

(a) the status of IT refund for the assessment year 2003-04;

(b) whether there has been considerable delay in the despatch of IT refunds compared to earlier years;

(c) if so, the reasons therefor; and

(d) whether any target has been fixed for despatch of all refunds?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Refunds have been issued promptly during assessment year 2003-04. Only in some cases, refunds could not be finalized because of technical reasons. Majority of refunds have since been issued.

(b) No, Sir.

(c) Question does not arise.

(d) As per CBDT internal guidelines, all returns should be processed and refunds issued within four months of receipt of returns, as far as possible.

Increase in rate of interest

†736. SHRIMATI SAVITA SHARDA : Will the Minister of FINANCE be pleased to state:

(a) whether there is any proposal to encourage small savings and increase the rate of interest for the senior citizens;

(b) if so, the details thereof; and

(c) by when the final decision is likely to be taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) Suitable steps to encourage mobilisation of deposits through small savings schemes are taken by the Central and State Governments from time to time.

The Finance Minister has already announced the introduction of a new Senior Citizens Savings Scheme, offering an interest rate of nine per cent per annum, in his Budget Speech on 8th July, 2004.

†Original notice of the question was received in Hindi.